



**Consolidated Plan**  
**Annual Performance and Evaluation Report**  
**(CAPER)**

**Commonwealth of Virginia**  
**2012-2013 Reporting Period**

**September 2013**

**Department of Housing and Community Development**  
**The Main Street Centre**  
**600 East Main Street**  
**Richmond, VA 23219**

## **Executive Summary**

The mission of the Department of Housing and Community Development (DHCD) is to work in partnership, “to make Virginia’s communities safe, affordable, and prosperous places in which to live, work, and do business.” This document serves as a progress update as required by the U.S. Department of Housing Urban Development (HUD), on meeting these goals, particularly those that are related to the Community Planning and Development (CPD) programs:

- Community Development Block Grant (CDBG),
- Emergency Shelter Grant program (ESG),
- HOME Investment Partnership program (HOME), and
- Housing Opportunities for Persons with AIDS (HOPWA)

These are HUD programs administered through DHCD. Needs assessment data, goals and objectives, and specific methods for distributing these program allocations are found in the *Consolidated Plan Action Plan 2012-13*.

These CPD programs are integral components of broader efforts by the State through DHCD and other agencies to support the development or revitalization of communities throughout the Commonwealth. During the 2012-13 program year, and as outlined in the Consolidated Plan and 2012-13 Action Plan, Virginia pursued three broad priorities for allocating available housing resources and five priorities for allocating community development resources in support of housing and non-housing activities. DHCD developed strategies for each priority area and implemented appropriate actions toward their achievement.

The housing priority areas included increasing the availability and affordability of safe, decent, and accessible housing to low and very low-income persons; increasing the ability of communities to implement creative responses to community-based needs; and supporting policy development and research related to significant economic development, community development, and housing issues. Community development priorities stress assistance to locally identified areas of need addressing neighborhoods, housing resources, economic development opportunities, community facilities, and community service facilities. The Department’s strategies and actions offered direct assistance to citizens, localities, and other organizations. They also supported the State’s housing delivery system by addressing the current and future needs of housing providers, consumers, and communities.

The total federal 2012-13 allocation administered through the Department under these four federal Community Planning and Development (CPD) programs is about \$28.1 million.

Program	2012-13 Funding
Community Development Block Grants (CDBG)	\$16,495,737
CDBG Program Income	\$45,007.51
HOME Investment Partnerships (HOME)	\$7,258,158
HOME Program Income	\$620,776
Emergency Shelter Grants (ESG)	\$ 3,012,708
Housing for Persons with AIDS (HOPWA)	\$727,609
Total	\$28,159,996

DHCD also administered other federal funds, including Appalachian Regional Commission (ARC) community economic development programs; Department of Energy (DOE) weatherization/energy assistance monies; and 15 percent of Department of Health and Human Services (HHS) Low Income Home Energy Assistance Program (LIHEAP) funds made available through the Virginia Department of Social Services. In addition, state appropriations provided a critical source of flexible funding to complement available federal resources. State funds generally focused on specific housing and community needs, including the prevention of homelessness, the preservation and rehabilitation of existing homeowner, and the provision of safe drinking water.

The current reporting period covered by this CAPER is year five of five of the 2008-2012 State Consolidated Plan.

2012-13 Overall Goals and Results		
	Goal	Actual
CDBG	See program narrative	See program narrative
HOME	370 units completed	231 units completed; 421 units commitments
ESG	NA	3801 households
HOPWA	200 households	271 households

### Summary of Resources and Distribution of Funds

During the most recent reporting period, DHCD administered funds received from four Department of Housing and Urban Development (HUD) Community Planning and Development programs:

- Community Development Block Grant (CDBG) Program
- HOME Investment Partnership Program
- Emergency Shelter Grant (ESG) Program
- Housing Opportunities for Person with AIDS (HOPWA)

Generally, this funding is distributed through the Department of Housing and Community Development (DHCD) across the state of Virginia primarily in non-entitlement areas through partnerships with:

- Local governments,
- Local non-profits,
- Housing Authorities
- Housing developers, and
- Community Housing Development Organizations (CHDO).

These partners work to bring decent affordable housing, needed services, and community and economic development opportunities to some of Virginia's hardest to serve areas: areas that are typically rural and many localities in what are considered areas that are difficult to develop.

For the reporting period covered by this CAPER (2012-13), 100 percent of the ESG and HOPWA allocations are committed with 99 percent of ESG expended and 99 percent of HOPWA expended. Remaining 2012-13 ESG and HOPWA unexpended balances have been reallocated to 2013-14 ESG and HOPWA sub-grantees.

<b>Summary of Resources and Distribution of Funds 2012-13</b>				
	Allocation	Program Income	Percent Committed Sub-allocated	Percent Expended
CDBG	\$16,495,737	\$45,007.51	21%	21%
HOME	\$12,404,080	\$620,776	3%	0%
ESG	\$1,682,166	NA	100%	99%
HOPWA	\$725,533	NA	100%	99%

Source: PR01

State grantees need to make all of their ESG funds available to local government or nonprofit sub-grantees within 65 days of grant award, and spend them within the required 24 months (two years).

The state has met the deadlines for the obligation and expenditure of ESG funds.

<b>ESG Contract Execution Dates and Expenditure Status</b>		
<i>HUD/DHCD Contract</i>	<i>DHCD/Sub-grantee Contract</i>	<i>Fund Expended</i>
July 17, 2012	July 1, 2012	83 percent by June 30, 2013

### **Progress on Goals**

In program year 2012-13, the Department continued to work toward meeting housing needs across the entire Commonwealth--especially those associated with lower-income residents and citizens with special housing needs. DHCD focused on coordinating housing resources, strengthening the organizational and service delivery capacity of

housing providers, increasing the coordination between housing and community development activities, and seeking more innovative ways to leverage additional resources for housing and community development needs.

Overall DHCD has made substantial progress toward its five year goals. This report represents year five of five and as such shows that DHCD is on target to exceed its overall five year goals and its annual reporting period goals.

DHCD made commitments to 421 units (excluding CDBG units) of decent affordable housing. This includes completing the development of affordable homeowner and rental units, the rehabilitation of homeowner units, and assisting low-income first-time homebuyers into affordable homeownership.

The Department planned to provide housing assistance to 281 low-income individuals with HIV/AIDS. At year end DHCD had served 271 households. The Emergency Shelter Grant program assisted 3,801 households who were experiencing homelessness in Virginia during this program year.

All housing and assistance meets Section 215 definition of affordable.

### **Affirmatively Furthering Fair Housing**

Virginia's efforts relating to fair housing include training events, investigative practices, and enforcement activities. Although these activities involve more than one state agency, there is a significant degree of coordination between them.

Virginia's Fair Housing Office (FHO) serves as the Commonwealth's primary fair housing investigative office. The FHO remains within the Virginia Department of Professional and Occupational Regulation (DPOR) and continues to investigate allegations of housing discrimination and educate housing providers and consumers about the fair housing law.

FHO investigated and closed 57 cases during the program year. Of these, the FHO conciliated 9 cases. The FHO therefore conciliated approximately 16 percent of its cases.

In program year 2012-2013, the FHO conducted some 96 training and outreach activities at numerous locations throughout Virginia. These included Virginia's annual Governor's housing conference, the annual conference of the Virginia Association of Realtors, homebuilder expos, apartment management association meetings, regional Realtor Association meetings, as well as smaller group and individual meetings. Approximately 7,800 individuals, including property managers, real estate professionals, newspaper staff, local building officials, housing builders, housing architects, housing consumers, and housing providers attended these sessions.

DHCD provides education and training activities designed to further the achievement of fair housing in communities participating in a variety of state-administered programs for housing and community development.

Virginia's state-administered CDBG and HOME Programs provide one focal point for activities furthering fair housing. Grantees must undertake at least one of several possible actions in the areas of enforcement and/or promotion of fair housing during each year that a CDBG or HOME project is active. One activity that will satisfy this requirement is attendance by a member of the local governing body or the chief local administrative official and a second local representative at a fair housing workshop approved by DHCD. Other options include: (1) adopting of a fair housing resolution and subsequent local advertising, (2) publishing and distributing fair housing brochures, (3) increasing local awareness of fair housing requirements through public education and information activities, (4) preparing a formal Assessment of Impediments, or (5) undertaking a survey of special housing problems affecting women and minorities and developing a plan to counter the effects of discrimination. DHCD requires that the selected actions are highly visible to the public and that they involve elected officials. Grantees must select a different fair housing activity for each year a grant is active and provide documentation of their completion.

Analysis of the Impediments to Fair Housing in Virginia was completed in 2012 where DHCD undertook an assessment intended to identify impediments to fair housing choice within the jurisdiction that will serve as a basis for continuing actions to overcome the effects of any impediments identified through the analysis. Because the state-administered, federally-funded programs cover a significant portion of Virginia's land area and population, the analysis took a broad perspective. It considered data sources that cover the entire state yet that are also indicative of general conditions that could be addressed through action at the state level. It included a review of pertinent demographic trends, a review of various indices of residential segregation, a consideration of mortgage lending activities reported because of the Home Mortgage Disclosure Act (HMDA), and a review of the circumstances of fair housing complaints brought before the state Fair Housing Office. In addition, and reflecting the concentration of fair housing complaints within the metropolitan regions of the state, the review also examined locally prepared analyses of impediments and the results of testing programs conducted by statewide or locally-based fair housing organizations and agencies.

The 2012 Analysis of the Impediments (AI) identified the areas of concerns and recommendations:

- 1. Discrimination in the rental and sales housing markets. Particularly, discrimination in the rental housing market based on disability, race, national origin, and familial status.**

Despite federal, state and local laws, training programs, outreach and education efforts, and institutional policies, discrimination in the housing market persists in the Commonwealth. Fair housing complaint data reported in the AI shows that every year, there are about two hundred complaints of discrimination in the housing market. Additionally, fair housing testing efforts frequently find that discrimination is evident in

the rental and sales housing markets. Finally, survey results show that housing stakeholders across the Commonwealth believe various kinds of discrimination exist in the housing markets in their service areas, especially in the rental housing market. Issues of particular note are as follows: hesitancy or refusal on the part of landlords to make reasonable accommodations for those with disabilities, preferential or different treatment towards clients based on their race and/or national origin, hesitance and occasional refusal to rent to families with children, and steering in the housing sales market based on race and national origin. The following actions might help to overcome discrimination in the housing market in the Commonwealth:

- Increase testing and enforcement efforts in the rental and sales housing markets to ensure that members of protected classes are being offered an equal opportunity to access all housing options in their communities; well publicized results of testing programs.
- Increase the use of electronic fair housing testing measures (i.e. email testing).
- Increase education efforts for landlords, leasing agents, and real estate professionals about their fair housing responsibilities; in particular, stress the importance of making reasonable accommodations for persons with disabilities and knowing proper occupancy standards for families with children.
- Increase education efforts for individuals seeking housing so they are aware when they are victims of discrimination and so that they are aware of their options to resolve the situation.
- Increase enforcement of affirmative marketing of affordable housing options to members of the protected classes.

**2. Constraints in the mortgage lending market. Minorities experience higher denial rates in the mortgage markets at all income levels, particularly at the lowest income levels in the conventional loan market. Subprime mortgages are also an issue of note for minority borrowers.**

Constraints in the mortgage lending market can be broken down into two important issues: mortgage denial rates and subprime mortgages. Data from the Home Mortgage Disclosure Act shows that racial minorities experienced higher mortgage denial rates than their white cohorts across all income levels. This data trend is consistent among both conventional and government backed mortgages. Research by the American Sociological Review and the Department of Justice suggests that minorities were targeted with subprime loans even if they were eligible for conventional loans. Subprime loans typically carry higher interest rates and significant penalties and fees, thus overburdening some individuals with housing costs. Additionally, anecdotal data from Community Reinvestment Act testing reveals instances of discrimination in mortgage lending institutions in Virginia. The following recommendations may help to alleviate constraints in the mortgage lending market:

- Increased oversight of mortgage lending and denial practices.
- First-time homebuyer education, affirmatively marketed to minorities.
- Continued support of financial literacy and credit counseling initiatives.
- Increased assistance and counseling efforts for individuals in foreclosure; particularly those with subprime mortgages.
- Increased awareness regarding the availability of Federal Housing Administration (FHA) loans.

**3. Additional fair housing education would be helpful among real estate agents, landlords, housing providers, local officials, and especially, individuals.**

The survey presented to housing providers across the Commonwealth of Virginia revealed a strong desire to provide more education regarding fair housing. The education needed will differ among real estate agents, landlords, housing providers, local officials, and individuals. All of the above parties need more information regarding the definition of fair housing and what may or may not be considered discrimination. A need for education is reinforced by the fact that nearly half of fair housing complaints filed in Virginia over the past five years found no basis, showing that even individuals filing complaints may not be clear on what type of actions are discriminatory. Specific education for housing providers and individuals might include how to file a fair housing complaint. Local officials should be informed on the types and rate of discrimination occurring in their jurisdiction. The following recommendations may assist in providing additional fair housing education and outreach among real estate agents, landlords, housing providers, local officials, and individuals:

- Increase the availability of seminars and classes for housing providers regarding fair housing law.
- Up-to-date, relevant, and clearly written fair housing materials for individuals made readily available on multiple state websites and in housing providers' offices.
- Encourage housing providers and other relevant stakeholders to utilize social networking to inform both clients and landlords of fair housing policy.
- Inclusion of "Prohibited Discriminatory Practices" on the Section 8 Landlord Certification

**4. Disproportionate effects of certain local ordinances on members of various protected classes.**

Though it is difficult to perform a comprehensive assessment of all local ordinances affecting fair housing choice in the Commonwealth, this report reveals certain patterns where local ordinances may be inhibiting fair housing choice. Historically, zoning, land use, and other local ordinances have been targeted as impediments to fair housing choice. Survey results indicate that in some areas, zoning and other local ordinances may be impediments to fair housing choice. In particular, respondents noted that ordinances regulating the number of unrelated family members living together could

disproportionately affect members of the protected classes. Additionally, survey responses show concern that local ordinances are discriminatory towards persons with disabilities. As has been extensively discussed in this report, income does not designate one as being a member of a protected class. However, it has also been shown that members of protected classes rent at higher rates and often have lower incomes. That being said, zoning and land use ordinances which inhibit the production and/or preservation of affordable and varied housing options also have the potential to be impediments to fair housing choice. As a side note, a number of localities across Virginia have passed their own fair housing ordinances that strengthen fair housing choice in their area. The follow suggestions might lessen the effects local ordinances have on restricting fair housing choice in the Commonwealth:

- A review of local ordinances that might affect fair housing choice.
- Enhanced education efforts for local officials (elected, appointed, and staff) in regards to fair housing law.
- Promote the creation of local land use ordinances that allow for varied housing types and for the inclusion of accessible housing.

**5. Availability and access to quality affordable housing; there are a large number of low-income households in need of affordable housing and there are a large number of cost-burdened households, especially in the rental housing market.**

Affordability of housing, which is linked to an individual's or household's income, does not designate one as having protected class status. However, as outlined in this report, members of the protected classes are disproportionately represented among the lowest income levels. In particular, minorities, families with children, and single mothers experience low-incomes and poverty at higher rates than society as a whole. Survey respondents also expressed great concern about the availability of affordable housing and the treatment of low-income individuals in the housing market. Additionally, many households in the Commonwealth that are not necessarily low-income are housing cost-burdened, paying 30 percent or more of their income towards rent. Therefore, for members of the protected classes that may already be experiencing discrimination in the housing market, an inability to obtain affordable housing may exacerbate an already difficult situation. Though affordable housing is an issue across the housing market, it is particularly acute in the rental housing market. While there is no one, easy avenue to provide quality affordable housing to all those in need, there are certain steps that stakeholders in the Commonwealth can take to ease the situation. The following recommendations might assist in increasing availability and access to quality affordable housing:

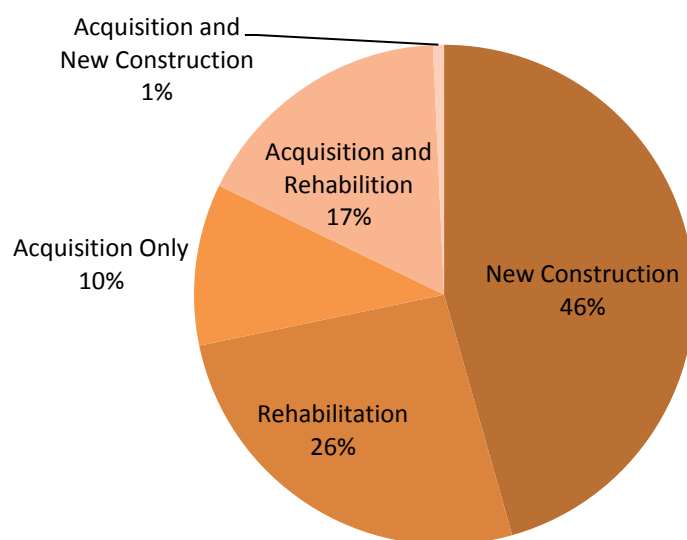
- Continued support of federal, state, and local efforts to preserve and produce quality affordable housing,
- Support of public-private partnerships that create affordable and mixed-income housing.

- Promote the use of housing databases such as those offered by the Virginia Housing Development Authority (VHDA), <http://www.virginiahousingsearch.com/>.

### **Progress in Providing Affordable Housing**

The HOME program made commitments to 421 housing units during the 2012-13 program year. Nearly half of these were the rehabilitation of existing units either through the Affordable and Special Needs Housing Program or the Indoor Plumbing and Rehabilitation Program. Funding commitments were made on an additional 381 units during the program year.

### **2012-2013 Affordable Housing Units**



Please note that CDBG projects often benefit households indirectly as compared to HOME benefits. HOME primarily produces housing units for specific low-income households. The CDBG program completes primarily community-based community development and economic development projects that are intended to provide results on a neighborhood, community, and/or locality level.

Affordable housing related activities conducted through both the CDBG program and the HOME program benefit (direct and indirect) more than 28,000 low to moderate income households in Virginia.

### **Continuum of Care**

The total coverage of the Balance of State Continuum of Care (CoC) includes Planning Districts 1-4, 9, 13 and 14, 17 and 18, and 22. The Department is also responsible for the Homeless Management Information System (HMIS) for the balance of the state

(initially awarded as a result of the 2005 CoC application). The HMIS will enable the state to better analyze the true nature of homelessness in Virginia and ensure that resources are allocated to appropriately match the needs. HMIS usage in the Balance of State is over 85 percent among homeless service providers. Beginning in 2007, DHCD has contracted with Homeward to administer the Balance of State HMIS system.

State resources are being leveraged to support better coordination among Virginia CoCs and to both better coordinate services and planning activities. Recent activities resulted in the merger of three independent CoCs with the Balance of State.

In June 2010, the Homeless Outcomes Advisory Committee started meeting to develop a plan to:

- leverage state resources more effectively;
- maximize the effectiveness of State services and resources for individuals and resources for individuals and families who are homeless or at risk of homelessness;
- realize efficiencies through enhanced coordination and shared resources among State agencies; and
- reduce the number of individuals and families who are homeless.

In November 2010, the Homeless Outcomes Advisory Committee adopted five major goals and fifteen strategies. The five goals are:

1. Increase the number of permanent supportive housing units in the Commonwealth.
2. Increase flexibility of funding to prevent homelessness and support Rapid Re-housing for individuals and families.
3. Increase statewide data collection and system coordination.
4. Increase access to substance abuse and mental health treatment.
5. Evaluate, develop and ensure implementation of statewide, pre-discharge policies for the foster care system, hospitals, mental health facilities and correctional facilities.

### **Other Actions**

The Action Plan included strategies addressing regulatory impediments to the preservation or creation of affordable housing. These strategies have shifted over time, reflecting recent achievements and changes in the circumstances influencing housing affordability. The Disability Commission underscored this by ranking housing needs among the most significant concerns for persons with disabilities and by establishing a housing work group to develop responses. Among the Housing and Community Development actions included in the program year 2012-13 Action Plan, the Department indicated its intent to address a variety of barriers to affordable housing.

Actions included continued support for uniform building code requirements for both new construction and rehabilitation—including accessibility requirements. The priority of addressing expanded housing opportunities for populations requiring supportive services called for increased involvement in efforts to promote housing accessibility for persons with disabilities. The Department indicated the need for continued scrutiny of regulations that can affect housing affordability. The Action Plan also proposed the following actions addressing the environment for the production or preservation of affordable housing:

- Continue to coordinate project funding through various sources in a way that will reduce nonessential duplicative requirements.
- Continue to administer a Uniform Statewide Building Code (USBC) that emphasizes the attainment of public health and safety goals for new construction and maintenance at the least cost, consistent with those goals.
- Promulgate a new edition of the USBC that incorporates updated provisions of the International Building Code, including those addressing the rehabilitation and productive reuse of existing residential and non-residential structures.
- Offer training through the Building Code Academy that focuses on the provisions of the USBC that facilitate the maintenance, rehabilitation, development, and reuse of existing buildings in accordance with those provisions.
- Promote the use of varied types of single-family dwellings in areas zoned agricultural and residential.
- Continue to scrutinize state enabling legislation, local land use ordinances, and introduced legislation with the potential to impede the production and preservation of affordable housing.
- Recommend support for legislation with the potential to increase housing affordability.
- Continue to consult with the homebuilding industry, local governments, and affordable housing advocates in considering the potential impact of state statutes and local regulations on affordable housing.
- Participate in the working groups of the Virginia Housing Commission that are focusing on the development of a statewide housing policy, including such issues as affordability, community revitalization, and blight removal.
- Work toward the implementation of the Virginia Housing Policy Framework.
- Participate in the Homeless Outcomes and advisory subcommittee.
- Work on developing universal design standards.
- Work on developing green building standards.
- Pursue homeownership initiatives underway at the Department that assist lower-income households for the purchase of their first home.

The Action Plan includes many policy areas that require the active cooperation of other state agencies, local governments, and/or the participation of other public or private entities. Thus, the Plan's primary role in the public policy arena is to provide a framework for ongoing State activities that implement various aspects of the Consolidated Plan. External factors may influence Plan implementation. This section of the Report examines progress in the areas identified in the Action Plan and describes

changing circumstances that may require modifications to the strategies originally included in the Plan.

DHCD has continued to coordinate activities of the State's CDBG program, the Indoor Plumbing Rehabilitation program, and the Southeast Rural Community Action Program (SERCAP). These help provide adequate infrastructure—particularly on- and off-site water/wastewater facilities—for affordable housing. Despite continuing fiscal restraint, the legislature provided state funds for water supply improvements. The most recent biennium budget (covering the period through fiscal year 2013) includes \$968,442 each fiscal year for water/wastewater improvements in rural areas served by SERCAP.

Virginia has continued to follow its established policy of adopting a single set of uniform building regulations applicable to all new construction within the state. During the 2010 legislative session, the Department worked to sustain the consistency and uniformity of its building and fire safety regulations. The General Assembly enacted legislation requested by the Department to bring greater uniformity to the building code appeals process for industrialized (modular) and conventionally constructed buildings. The agency also continued to oppose efforts to fragment various provisions of the Uniform Statewide Building Code (USBC).

On July 26, 2010, the Board of Housing and Community Development adopted provisions for the 2009 edition of these critical regulations. This action followed an extensive public comment period that began in September 2009, numerous meetings of work groups considering specific issues, and formal public hearings. The 2009 edition of the USBC incorporates the International Code Commission's (ICC) model International Building Code (IBC). The latest edition of the IBC includes important new energy conservation and building safety requirements. Final regulations were published on September 27, 2010 and in effective on January 2011. Information about the regulatory process is available through Virginia's Regulatory Town Hall (<http://townhall.virginia.gov/>).

DHCD's training programs are as critical as the actual provisions of building and fire safety codes in meeting the state's commitment to implementing uniform regulation and code enforcement. Through its building code academy, DHCD trains those individuals in local governments charged with enforcing the building, rehabilitation, maintenance, and fire codes. DHCD has expanded training and information programs beyond code enforcement personnel to include opportunities for building contractors, architects, tradesmen, and others who must apply or meet the provisions of the USBC and SFPC for new and existing structures.

### **Leveraging Resources**

Three primary housing initiatives continue to account for most of the leverage. Federal and state low-income housing tax credits stimulated private sector investment in affordable rental housing projects. The permanent financing (mortgage) that accompanies each affordable housing unit in the Homeownership Assistance Program accounts for a significant amount of leveraged private sector funding. Additionally, the availability of state, other federal and private sector funds to address various aspects of

homelessness also accounts for a sizable amount of the funding leveraged by the CPD annual allocation.

<b>Chart of Federal Resources (2012-2013)</b>	
Source	Amount
CDBG	\$16.5 million
HOME	\$7.2 million
Emergency Shelter Grant	\$3 million
Housing Opportunities for Person with Aids	\$727,609
Neighborhood Stabilization Program HERA –multiple years	\$38.7 million
Neighborhood Stabilization Program ARRA –multiple years	\$5.0 million
Weatherization (Department of Energy)	\$3.1 million
Weatherization (Department of Energy) ARRA –multiple years	\$94.1 million
LIHEAP (HHS)	\$16.1 million
Continuum of Care SHP HMIS	\$87,105
Appalachian Regional Commission	\$2.4 million

The CDBG Program leveraging for the 1995-2012 years are as follows:

1995	\$120.6 million	2004	\$46.6 million
1996	\$72.3 million	2005	\$86.3 million
1997	\$107.3 million	2006	\$158.0 million
1998	\$90.3 million	2007	\$ 267.5 million
1999	\$525.7 million	2008	\$17.5 million*
2000	\$61.2 million	2009	\$33.3 million
2001	\$121.1 million	2010	\$32.7 million
2002	\$33.4 million	2011	\$42.6 million
2003	\$40.7 million	2012	\$247 million

\* Please note 2008 leverage amount is considerably lower since there were very few Community Economic Development (CED) projects in 2008.

### **Citizen Comment**

The availability of the CAPER for public review and comment was posted the week of September 2, 2013, in six newspapers across the Commonwealth:

- The Bristol Herald
- The Lynchburg News Advance
- Potomac News
- Roanoke Times
- The Virginia Pilot
- The Free Press
- Richmond Times Dispatch

This public notice announced the availability of the CAPER for review on or before September 9, 2013 and that the Department would be accepting comments through the close of business on September 25, 2013. Any comments received would have been included at minimum in this section of the CAPER. As of the close of business September 26, 2013, no comments have been received by DHCD.

### **Self-Evaluation**

Economic trends, state budget cuts, and resulting travel restriction has made it more challenging for the agency to access available training opportunities, particular those opportunities that involve travel outside the state of Virginia. Travel is limited to program-specific function such as monitoring, however the agency will continue to utilize where available any appropriate opportunities within the state.

The agency has continued to refine program-specific processes and procedures and anticipates on-going improvements in program results. These improvements include revised program guidelines, fund decision processes, and overall program and activity monitoring. The state continues to conduct Program Input sessions for its programs. These sessions are used to engage stakeholders and solicit suggestions for how to more effectively implement programs.

### **Monitoring**

The Department has developed and implemented monitoring procedures for the regular monitoring of project sponsors, grantees, and sub-recipient. Monitoring is based on a risk assessment that factors in the last date a project, program, grantee, sub-recipient, or project sponsor was monitored, the total relative amount of award, current and previous performance, and program requirements. Any specific observations or findings are noted with program narrative section.

## **CDBG Program Narrative**

DHCD directed 2012-13 year funds toward a wide and varied array of needs that are consistent with the CDBG program's overall program objectives and also reflect the specific needs of Virginia localities for improved housing, public facilities, public service facilities, economic development, and comprehensive redevelopment. In addition to the housing priorities included in the Action Plan, DHCD included five priorities and associated strategies for its CDBG program that address community development needs other than those related to housing:

CDBG 2011-12 Priorities, Strategies, and Accomplishments		
Priority	Strategies	Accomplishments
To assist local governments in increasing business and employment opportunities through economic development programs:	<p>Provide financial and technical support for the acquisition, development, rehabilitation, or expansion of business and industrial sites and facilities, <i>resulting in raising wage levels, retaining existing jobs, generating new jobs and employment opportunities, generating long-term employment, diversifying and expanding local tax bases and economies, and reducing the out-commuting of workers and out-migration of residents.</i></p> <p><b>Provide financial and technical support for the acquisition, development, and revitalization of commercial districts,</b> resulting in increasing retail sales and property values in stagnating or declining commercial districts, retaining existing businesses, increasing the opportunities for small businesses in commercial districts, retaining existing jobs, and strengthening local tax bases.</p> <p>Provide financial and technical support for the development of entrepreneurial assistance programs including micro-enterprise assistance, business incubators, and similar efforts, <i>to result in creating assets among low-income persons, increasing employment opportunities, reducing unemployment, increasing wage levels, generating new jobs, generating long-term employment, and diversifying and expanding local tax bases.</i></p>	One hundred nine (109) commercial/industrial businesses were rehabilitated, while five received technical assistance during the reporting period.
To assist local governments in improving neighborhoods and other areas through comprehensive community	<b>Provide financial and technical support for the comprehensive improvement of residential areas,</b> resulting in <i>revitalized neighborhoods including improved housing, water, sewer, road, and drainage conditions.</i>	See below.

CDBG 2011-12 Priorities, Strategies, and Accomplishments		
Priority	Strategies	Accomplishments
development programs:		
To assist local governments in improving the availability and adequacy of community facilities:	<p>Provide financial and technical support for acquisition of sites or rights-of-way for community facilities such as water, sewer, drainage, and streets, <i>resulting in basic facilities in areas where they are lacking.</i></p> <p>Provide financial and technical support for the installation, rehabilitation, or improvement of community facilities such as water, sewer, drainage, and streets, <i>resulting in basic facilities in areas where they are lacking, improving the quality of inadequate community facilities, enhancing the development potential of communities, and eliminating conditions detrimental to health, safety, and public welfare.</i></p>	CDBG-eligible communities have given a high priority to the areas of street, sewer and water, and commercial and industrial infrastructure. Grantees completed 29 sewer and water projects,, 6 street improvements, and 4 sidewalk improvement project
To assist local governments in improving the availability and adequacy of community service facilities:	<p>Provide financial and technical support for the acquisition of sites and/or structures for community services facilities, <i>resulting in new or expanded community services.</i></p> <p><b>Provide financial and technical support for the construction, rehabilitation, or improvement of community service facilities,</b> to result in developing new structures, or rehabilitating or improving existing structures for the provision of new or expanded community services.</p>	Three (3) health care facilities were in progress during the program year. Two health care facilities were completed during the reporting period.
To assist local governments in conserving and improving housing conditions:	<b>Provide financial and technical support for housing rehabilitation</b> to result in reducing substandard housing conditions, conserving local housing stocks, stabilizing declining neighborhoods, promoting homeownership options, improving standards of living, and enhancing the attractiveness of the	Housing rehabilitation and other housing related activities, which eligible localities also identified as high

CDBG 2011-12 Priorities, Strategies, and Accomplishments		
Priority	Strategies	Accomplishments
	<p>community.</p> <p>Provide financial and technical support for acquisition and improvement of sites and/or facilities for low- and moderate-income housing to result in reducing the number of Virginia citizens in substandard housing, increasing the supply of housing, improving local standards of living, expanding housing opportunities, improving the quality of public facilities serving low- and moderate-income housing, and providing or improving basic public facilities serving low- and moderate-income housing.</p>	<p>priorities, included 81 housing rehabilitation units underway, 47 rehabilitations completed, and 5 households receiving homeownership creation assistance, all of which were low-to-moderate income.</p>

### **Changes in CDBG Program Objectives**

There were no substantive amendments to the Consolidated Plan pertaining to CDBG program priorities and objectives during the program year; however, the 2013 program design included four administrative changes and one policy clarification item which are identified below:

Program Design Changes:

### ***Scattered Site Housing Rehabilitation for Homes without Indoor Plumbing***

***This Community Development Innovation Fund set-aside will be eliminated from the CDBG program. The Indoor Plumbing Rehabilitation Program and CDBG Housing Rehabilitation program, available through the Competitive Grant process, are still available to address homes lacking complete indoor plumbing. Housing Rehabilitation***

To encourage further adoption of green building and energy conservation practices, \$4,000 will be available for the substantial reconstruction of a unit to a nationally recognized standard, such as EarthCraft or LEEDS. Prior approval from DHCD is required.

For better consistency with the Indoor Plumbing Rehabilitation program, the following changes are being instituted for units which are substantially reconstructed:

- Increase of the base cost limit to a not-to-exceed- limit of \$70,000, inclusive of DHCD's standard recognized exceptions. At least one exception is needed to qualify for this upper limit.
- The only approved additions beyond the upper limit will be up to \$10,000 for alternative septic system and the \$4,000 green building / energy conservation credit.
- Increase of upper limit for units without any exceptions to \$50,000; these units will still eligible for \$4,000 green building/energy-efficiency credit.

## ***Construction-Ready Water and Sewer Program***

The allowance per connection will be raised from \$10,000 to \$12,500.

## ***Downtown Loan Pool***

Grantees will be allowed to expand the availability of CDBG loan funds outside of the established project area. This only applies to recipients of CDBG Business District Revitalization funds. It is still expected that grantees will first market to businesses in the project area and/or those participating in the façade program or another aspect of the project. Prior approval from DHCD is required. Note this action may entail completing an Environmental Review reassessment or completing a new Environmental Review process.

## ***Program Design Policy Clarifications***

### **Comprehensive Community Development Projects**

DHCD remains concerned with applicants which request CDBG funds to address infrastructure improvements which are in poor repair due to deferred maintenance. Additional measures will be taken in the evaluation and review process, such as a review of the applicant's history of investments in infrastructure, water / sewer rates, and leverage, particularly local leverage. Proposed activities which are not deemed appropriate for CDBG funding are subject to removal or reduction at DHCD's discretion, however, if removed, the applicant will be responsible for finding additional resources to remedy those items.

With the scarcity of CDBG resources, applicants must secure other resources to blend with CDBG funds in order to fully address the needs of their community. Proposals which continue to rely solely or heavily on CDBG resources to address issues of deferred maintenance will not be strongly competitive.

### CDBG LMI Benefits, 1987-2012 Program Years

Program Year	1987	1988	1989	1990	1991	1992	1993	1994	1995
% LMI Benefit	100	100	100	100	98.9	99.3	99.3	98.6	91.5
Program Year	1996	1997	1998	1999	2000	2001	2002	2003	2004
% LMI Benefit	90.5	93.9	92.3	80.8	83.0	85.0	85.0	94.0	99.0
Program Year	2005	2006	2007	2008	2009	2010	2011	2012	
% LMI Benefit	90.0	87.0	79.0	77.0	92.0	90.0	95.0	92.0	

#### Activities Involving Occupied Real Property —Anti-Displacement and Relocation

DHCD's efforts to minimize displacement focus on securing the commitment of grantee localities to minimize the displacement of individuals, families, and businesses in implementing projects using state-administered CDBG funds. This includes direct displacement resulting from real property acquisition, rehabilitation, demolition, and conversion and any indirect displacement. In general, except in instances of disaster recovery operations, relocation has been associated with homeownership activities where households or individuals occupy units whose condition fails to meet Section 8 housing quality standards. If displacement is necessary, then agency personnel work with the local grantee to assure that proper notice is provided to the affected parties in accordance with Section 104(d) of the Community Development Act and the federal Uniform Relocation Assistance and Real Property Acquisitions Policies Act.

Localities seeking Community Improvement Grant funding must certify that they will minimize displacement at the local level and that they will follow a Residential Anti-displacement and Relocation Assistance Plan that includes a one-for-one replacement provision. Each recipient of Community Improvement Grant funding must provide financial benefits and advisory services on an equitable basis to any individual or entity involuntarily and permanently displaced because of a CDBG-assisted activity. In 2007, the Agency required any projects seeking to use eminent domain for acquisition and/or relocation to use non-CDBG funds for this activity. Projects with willing participants were allowed to use CDBG funds to assist with acquisition and relocation.

There were permanent relocation and several temporary relocations related to housing rehabilitation activities.

### **Economic Development Activities with CDBG Funds—Low/Moderate Income Job Activities**

As the responsible agency, DHCD works to assure that economic development projects funded through the state-administered CDBG program meet targeted levels for low- and moderate-income job opportunities. Federal regulations permit potential grantees to use one of two approaches to meet their LMI benefit obligation. The first option is to employ LMI persons in at least 51 percent of the available positions. Under this option, the locality or assisted business will retain documentation of the income status of employees. The second option is to establish procedures to ensure that LMI persons will receive first consideration for employment. Under this option, the job qualifications must be limited to possession of a high school diploma or its equivalent. No special training should be required. A third-party, single point of contact for application screening, such as the Virginia Employment Commission, is typically used. This contact will maintain all LMI documentation. The employer must hire only those persons screened by this third party.

In addition, the required job creation must occur within two years of the date of completion of the private investment, while the private investment must be completed within two years of the commencement of the CDBG-funded grant agreement. All of the job creation requirements are incorporated into a formal agreement between the agency and the grantee. Businesses failing to meet the job requirements are subject to a non-performance penalty contained in these agreements.

### **Low/Moderate Income Clientele Activities**

DHCD also attempts to assure that the State's distribution of program funds remains consistent with national program objectives and the priority objectives identified in the Consolidated Plan, the Action Plan, and the CDBG program design. The following table summarizes the overall distribution of funds for the years since 2001.

### Percentage Distribution of CDBG CIG Funds by State Objective and Program Year

Objective	2001	2002	2003	2004	2005	2006
Comprehensive Community Development*	40.80	20.77	17.26	28.90	26.48	27.40
Economic Development	9.38	24.68	17.95	17.49	21.40	30.08
Housing	13.30	26.86	21.17	27.12	23.25	24.13
Community Facilities	32.15	14.36	33.02	14.57	26.09	10.91
Community Services Facilities	4.37	13.33	10.61	11.92	2.78	7.48

Objective	2007	2008	2009	2010	2011	2012
Comprehensive Community Development*	18.17	9.19	31.18	11.86	14.1	27.3
Economic Development	29.41	34.25	14.74	21.61	15.2	19.6
Housing	9.58	32.40	21.48	44.98	37.5	19.5
Community Facilities	26.89	17.39	29.48	11.59	28.7	26.7
Community Services Facilities	15.95	6.77	3.12	9.96	4.5	6.9

*\*Comprehensive Community Development Projects include housing rehabilitation as well as public facility components.*

To the degree that the applications received by the Department make it possible, DHCD attempts to meet the needs identified through its planning and public

participation processes. Shifts in the pattern of distribution among priority objectives do not reflect the state's preference for one priority over another; instead, they mark the changing perceptions of grant applicants responding to local community needs. Changes in regional or local economic conditions, shifting demographics, or the effects of significant weather-related disasters may affect the pattern. The variety of funded projects has helped Virginia's localities respond to the need for improvements in their economic and physical environments, reduce the incidence of blight, and respond to a variety of differing threats to the health, safety, and welfare of citizens.

#### **CDBG Program Income Received July 1, 2012 – June 30, 2013**

During 2012-13, DHCD received program income from the grants listed on the table below by grantee, category of activity, date received, and amount.

Description	Category	Date	Amount Received
CDBG Pearisburg Town 09-30	Economic Development	10/24/2012	500.00
CDBG Accomack County 96-39	Economic Development	10/24/2012	5,161.67
CDBG Sussex County 11-CED-20	Economic Development	10/24/2012	5,314.08
CDBG Chase City Town 09-14	Housing	12/06/2012	1,469.08
CDBG Giles County 10-28	Community Improvements	12/12/2012	13,172.62
CDBG Floyd Town 07-31	Economic Development	12/12/2012	1,517.76
Total			\$27,135.21

#### **CDBG Prior Period Adjustments July 1, 2012 – June 3, 2013**

Activity Name & Number	Program Year Reported	Amount Returned	Returned to LOC or Program Account
CDBG Town of Parksley 08-25	2012	6,290.96	
CDBG Sussex County 11-CED-20	2012	5,762.25	

CDBG Lee County 09-19	2012	44.35	
CDBG Mecklenburg County 10-25	2012	50.01	
CDBG Town of Floyd 07-31	2012	1,517.76	
CDBG Pulaski County 08-37	2012	15,371.97	
CDBG Town of Fries 08-20	2012	600.00	
CDBG Greenville County 07-CED-25	2012	10,000.00	
CDBG Accomack County 09-10	2012	6,189.60	
CDBG Sussex County 11-CED-20	2012	5,762.25	
CDBG Town of Richlands 09-39	2012	605.78	

**Loans and Other Receivables**

There are no float-funded activities at present. There is currently one outstanding loan with Accomack Truss-Tech. Inc. with a principal balance of \$49,324.39.

**Neighborhood Revitalization Strategies**

Tables in the following pages of the report summarize the achievements in non-housing areas based on the closeout process. Substantial additional information on specific projects and overall performance is contained in the Performance Evaluation Report (PER), which DHCD's Community Development Division prepares and which is available for public review and comment. This document contains more detailed presentations of the financial status of the previous years' grants, including amounts obligated by contract or offer and any amounts remaining unobligated at the close of the reporting period.

Summary of Community Development Accomplishments  
Public Facilities and Improvements  
Commonwealth of Virginia 2010 - 2012 Three-Year Certification Period

Priority Need Category	Priority	Actual Number of Projects Assisted in			Actual Number of Projects Completed in		
		2010	2011	2012	2010	2011	2012
Public Facilities	H	0	0	3	0	0	4
Senior Centers		0	0	0	1	0	0
Handicapped Centers		0	0	0	0	0	0
Homeless Centers		0	0	0	0	0	0
Youth Centers	H	0	0	0	0	0	0
Neighborhood Facilities	H	0	0	0	1	1	1
Child Care Centers	M	0	0	0	0	0	0
Parks and/or Recreation Facilities	L	3	3	4	1	0	1
Health Facilities	H	2	2	3	5	1	2
Parking Facilities	L	0	0	0	1	0	0
Abused/Neglect Facilities		0	0	0	0	0	0
AIDS Facilities		0	0	0	0	0	0
Other Public Facilities	M	5	5	5	3	3	0

Summary of Community Development Accomplishments  
Public Facilities and Improvements  
Commonwealth of Virginia 2010 - 2012 Three-Year Certification Period

Priority Need Category	Priority	Actual Number of Projects Assisted in			Actual Number of Projects Completed in		
		2010	2011	2012	2010	2011	2012
Public Improvements							
Solid Waste Improvements	H	0	0	0	0	0	0
Flood/Drainage Improvements	M	4	5	0	2	5	4
Street Improvements	H	12	21	19	16	8	6
Sidewalk Improvements		3	5	4	3	1	4
Water and Sewer Improvements	H	40	54	42	43	26	29
Asbestos Removal		0	0	0	0	0	0
Other Infrastructure		0	0	0	0	0	0

Summary of Community Development Accomplishments  
 Businesses Assisted and Job Creation  
 Commonwealth of Virginia 2010 - 2012 Three-Year Certification Period

Priority Need Category	Priority	Actual Number of Businesses Assisted in 2010-2012 - <b>OPEN</b>			Actual Number of Businesses Assisted in 2010-2012 <b>COMPLETED</b>		
		2010	2011	2012	2010	2011	2012
<b>Economic Development</b>							
Commercial/Industrial Rehabilitation *	M	4	8	11	12	7	4
Commercial/Industrial Infrastructure Improvements	H	2	4	4	12	6	4
Commercial/Industrial Rehab Acquisition, Construction, Rehabilitation		2	4	3	0	0	2
ED Direct Financial Assistance to For-Profits		3	4	3	4	4	2
ED Technical Assistance		4	6	3	3	3	4
Micro-Enterprise Assistance	H	2	3	3	5	4	4

Priority Need Category	Priority	Actual Number of Jobs Created in 2010-2012 - <b>OPEN</b>			Actual Number of Jobs Created in 2010-2012 - <b>COMPLETED</b>		
		2010	2011	2012	2010	2011	2012
<b>Economic Development</b>							
Commercial/Industrial Rehabilitation *	M	0	0	0	114	0	0
Commercial/Industrial Infrastructure Improvements	H	0	0	0	310	4,858	66
Commercial/Industrial Rehab Acquisition,		0	0	0	0	0	14

Priority Need Category	Priority	Actual Number of Jobs Created in 2010-2012 - <b>OPEN</b>			Actual Number of Jobs Created in 2010-2012 - <b>COMPLETED</b>		
		2010	2011	2012	2010	2011	2012
Construction, Rehabilitation							
ED Direct Financial Assistance to For-Profits		17	0	8	3	15	68
ED Technical Assistance		0	0	0	0	0	0
Micro-Enterprise Assistance	M	19	58	0	119	59	62

\*Includes Façade Improvements

## 2013 CDBG Grant Offers

\* Grant offers subject to change during contract negotiation period.

<i>Project Title, Locality, and Chief Elected Official</i>	<i>Districts and Elected Representative</i>	<i>Funding</i>
<b>West Main Street Project</b> <i>Multi-Year Funding</i> <u>South Hill</u> , Town of Earl O. Horne Mayor	Senate: 15, Ruff, Frank M., Jr.  House: <b>61, Wright, Thomas C., Jr.</b>	CDBG \$ 1,180,882 Local 121,039 <b>TOTAL \$ 1,301,921</b>
<b>South Street Neighborhood Improvement Project, Phase 2</b> <i>Multi-Year Funding</i>  <u>Henry</u> , County of Jim Adams, Chairman Board of Supervisors	Senate: 20, Stanley, William M., Jr.  House: <b>9, Poindexter, Charles D.</b>	CDBG \$ 993,020 VA Emergency Mgmt 206,300 Weatherization Program 50,800 Federal Home Loan Bank 60,030 Local 1,200 <b>TOTAL \$ 1,311,350</b>
<b>Frying Pan Waterline Extension Project</b>  <u>Dickenson</u> , County of David Yates, Chairman Board of Supervisors	Senate: 38, Puckett, Phillip P.  House: 4, Johnson, Joseph P., Jr.	CDBG \$ 400,000 Abandoned/Reclaimed Mines Coalfield Water Dev Fund 200,000 SWVA Water/WW Fund 220,400 VA Dept of Health (Grant) 88,000 VA Dept of Health (Loan) 91,600 <b>TOTAL \$ 1,445,600</b>
<b>Glade Spring Downtown Development Project</b> <u>Glade Spring</u> , Town of Lee Coburn Mayor	Senate: 40, Carrico, Charles W. Sr.  House: <b>5, O'Quinn, Israel D.</b>	CDBG \$ 412,176 Tobacco Commission 150,000 USDA Rural Development 99,000 Private 49,790 Local 25,000 <b>TOTAL \$ 735,966</b>

<b>Pulaski Adult Daycare &amp; Fall Prevention Center</b> <b>Letter of Intent</b> <u>Pulaski</u> , County of Joseph L. Sheffey, Chairman <b>Board of Supervisors</b>	Senate: 38, Puckett, Phillip P.  House: 7, Rush, L. Nick	CDBG \$ 700,000 USDA Rural Development Local <u>29,847</u> <b>TOTAL \$ 763,100</b>
<b>Stephens Sewer Line Extension</b>  <u>Wise</u> , County of Robert R. Adkins, Chairman Board of Supervisors	Senate: 38, Puckett, Phillip P.  House: <b>1, Kilgore, Terry G.</b>	CDBG \$ 1,000,000 USDA Rural Development <b>TOTAL: \$ 1,833,000</b>
New College Expansion – Building on Baldwin <u>Martinsville</u> , City of Kim Adkins Mayor	Senate: 20, Stanley, William M., Jr.  House: 16, Merricks, Donald W.	CDBG \$ 700,000 Economic Dev Authority <u>815,540</u> <b>TOTAL \$ 1,515,540</b>
<b>Hidden Valley Water System</b>  <u>Washington</u> , County of Dulcie M. Mumpower Board Chair Board of Supervisors	Senate: 40, Carrico, Charles W. Sr.  House: 4, Johnson, Joseph P., Jr.	CDBG \$ 337,500 VDH (Grant) 189,000 Local <u>361,475</u> <b>TOTAL \$ 887,975</b>
<b>Hurley Regional Water Project Phase IV</b> <b>Letter of Intent</b>  <u>Buchanan</u> , County of Gary Roger Rife, Chairman Board of Supervisors	Senate: 38, Puckett, Phillip P.  House: 3, Morefield, James W.	CDBG \$ 800,000 Coalfield Water Dev Fund \$ 200,000 Abandoned/Reclaimed Mines \$ 4,000,000 SWVA Water/WW Fund \$ 200,000 Local <u>\$ 1,118,901</u> <b>TOTAL \$ 6,318,901</b>

<b>Alberta/Lawrenceville Regional Utility Consolidation Project</b> <u>Alberta</u> , Town of Robert Hayes <b>Mayor</b>	Senate: 15, Ruff, Frank M., Jr.  House: 75, Tyler, Roslyn C.	CDBG \$ 969,706 Tobacco Commission 450,000 Brunswick County IDA 50,000 Meherrin Jail Authority 1,900,000 Local <u>5,250</u> <b>TOTAL \$ 3,374,956</b>
<b>Crescent/Palmer Housing Rehabilitation Multi-Year Funding</b> <u>Marion</u> , Town of David Helms <b>Mayor</b>	Senate: 40, Carrico, Charles W Sr.  House: 6, Crockett-Stark, Anne B	CDBG \$ 601,411 Local <u>30,000</u> <b>TOTAL \$ 631,411</b>

## HOME Program Narrative

The 2012-13 HOME allocation was targeted at meeting goals and objectives in four funding categories:

- Community Housing Development Organizations (CHDO) activities
- Affordable Housing Preservation and Production Program
- Indoor Plumbing and Rehabilitation Program
- Homeownership Assistance Program

### *CHDO Activities*

The Department supports the development of CHDO (Community Housing Development Organizations) activities through the HOME allocation set-aside of 15 percent to state-certified CHDOs. This set-aside and the certification requirements help to assure the development of experienced community-based housing developers that are dedicated to producing affordable housing in Virginia communities.

As a result of these activities DHCD has committed more than \$47.4 million (17.4 percent of the accumulative HOME allocation) to CHDOs since 1992, exceeding the required 15 percent requirement.

<b>Virginia Commonwealth CHDO HOME Set-aside Since 1992</b>			
Total Accumulative HOME Allocation	Reserved for CHDOs	Committed to CHDO Projects	Disbursed to CHDO Projects
\$272,191,123.46	\$47,483,922.70	\$46,993,754.12	\$41,021,412.12

Source: IDIS PR27 Report

Twenty-two community-based housing developers are CHDO-certified by DHCD. Currently seven of the certified CHDOs have projects in construction that are supported by state HOME program financing.

CHDO Name	Locality*
Accomack-Northampton Housing and Redevelopment Corporation	Accomack
Albemarle Housing Improvement Program	Charlottesville
Bayview Citizens for Social Justice	Cheriton
The Center for Community Development, Inc.	Portsmouth
Central Virginia Housing Coalition	Fredericksburg
Chesapeake Bay Housing, Inc.	Urbanna
Community Housing Partners Corporation	Christiansburg
Hanover Habitat for Humanity	Hanover
H.O.P.E.	Wytheville
Hope Community Builders	Harrisonburg
Housing Opportunities Made Economical	Fredericksburg
Nelson County Community Development Foundation	Lovington
New Roads Development Group of Exmore	Exmore
Pathways	Petersburg
People	Bristol
Peninsula Habitat for Humanity	Newport News
Piedmont Housing Alliance	Charlottesville
Project Faith, Inc.	King George
Rush Homes	Lynchburg
S.C.O.R.E	Brunswick
Southside Outreach Group	South Boston
Telamon Corporation	Gretna
Total Action Against Poverty (TAP)	Roanoke
Virginia Supportive Housing	Richmond

\*Locality is based on organizational mailing addresses, not necessarily location of CHDO projects or service areas.

Twelve CHDO projects received a reservation of HOME funds as a result of the 2012 – 2013 application process.

<b>2012 – 2013 CHDO Reservations</b>			
<i>CHDO</i>	<i>Project</i>	<i>Location</i>	<i>Amount</i>
Project Faith	The Forest at Angelwood	King George	\$330,000
Virginia Supportive Housing	Studios Apartment II	Richmond	\$700,000
Hanover Habitat	Bailey Woods	Hanover	\$498,000
Albemarle Housing Improvement Program	Belmont Cottages	Charlottesville	\$241,920
New Roads CDC	New Roads	Exmore	\$390,000
Community Housing Partners	Langston Park	Hopewell	\$500,000
Community Housing Partners	Smokey Ridge	Christiansburg	\$400,000
People Inc.	Clinch View Manor	Scott	\$422,329
Virginia Supportive Housing	Crescent Square	Virginia Beach	\$700,000
Community Housing Partners	Overlook Terrace	Spotsylvania	\$500,000
Project Faith	Angelwood @ Caroline	Caroline	\$460,906
Community Housing Partners	Hunting Hills	Blacksburg	\$300,000
<b>TOTAL</b>			<b>\$5,443,155</b>

**Affordable Housing and Special Needs Housing (ASNH) Program**

Projects were selected through a quarterly, open, competitive application process. A review panel is utilized to score each proposal on how well the project meets local housing needs (40 percent), project feasibility (30 percent), and development team capacity (30 percent). A proposal must meet basic eligibility criteria including scoring a minimum of 60 points in order to be eligible for funding. All eligible proposals are then ranked based on scores and funding reservations are made to specific projects based on highest to lowest score until a quarter of the annual program reservation including any prior carry over funds has been reserved. If the full quarter of funds is not reserved it is carried over to the next quarter. For the first, second, and third quarters, if a proposal does not receive a reservation of funds, the project sponsor has the option of carrying the proposal, with or without modifications, over to the subsequent quarter. No proposals may be carried over from the fourth quarter to the next program year.

The competitive application and review process resulted in 16 projects receiving conditional offers. Offers are conditional upon meeting all conditions of the offer including but not limited to environmental review release of funds, securing all financial sources, and the execution of a program agreement.

<b>2012-13 Affordable and Special Needs Reservations (conditional offers)</b>				
<b>Project</b>	<b>Project Sponsor/Developer</b>	<b>Location</b>	<b>Type</b>	<b>Amount</b>
The Forest at Angelwood	Project Faith	King George	Rental New Construction Special Needs	\$330,000
Studios Apartment II	Virginia Supportive Housing	Richmond	Rental New Construction Special Needs	\$700,000
Bailey Woods	Hanover Habitat	Hanover	Homebuyer New Construction	\$498,000
Belmont Cottages	Albemarle Housing Improvement Program	Charlottesville	Homebuyer New Construction Special Needs	\$241,920

Project	Project Sponsor/Developer	Location	Type	Amount
New Roads	New Roads CDC	Exmore	Rental New Construction	\$390,000
Langston Park	Community Partners Housing	Hopewell	Rental Rehabilitation Special Needs	\$500,000
Smokey Ridge	Community Partners Housing	Christiansburg	Rental Rehabilitation Special Needs	\$400,000
Clinch View Manor	People Inc.	Scott	Rental Rehabilitation	\$422,329
Crescent Square	Virginia Housing Supportive	Virginia Beach	Rental New Construction Special Needs	\$700,000
Overlook Terrace	Community Partners Housing	Spotsylvania	Rental New Construction Special Needs	\$500,000
Angelwood @ Caroline	Project Faith	Caroline	Rental New Construction Special Needs	\$460,906
Hunting Hills	Community Partners Housing	Blacksburg	Rental Rehabilitation Special Needs	\$300,000
Warsaw Manor	HEGM Corporation	Warsaw	Rental Rehabilitation Special Needs	\$500,000
Bailey Road	ESV Housing Alliance	Accomack	Rental New Construction	\$500,000

Project	Project Sponsor/Developer	Location	Type	Amount
Stonebriar	Wise RHA	Wise	Rental Rehabilitation Special Needs	\$500,000
New Phoenix	Newport News-Hampton Community Services Board	Newport News	Rental Rehabilitation Special Needs	\$700,000
<b>Total</b>				<b>\$7,643,155</b>
<i>Special needs project: at least ten percent of units designed and targeted to meet the needs of households with disabilities.</i>				

<b>2012-2013 Projects (conditional offers)</b>	
16 Total Projects	\$7,643,155
88 percent or 14 are Rental Projects	Two Homebuyer projects
Nine of 16 Projects (56 percent) New Construction	\$4,320,826 (57 percent) New Construction
Seven of 16 Projects (44 percent) Rehabilitation	\$3,322,329 (43 percent) Rehabilitation
12 of 16 (75 percent) Special Needs Projects	\$5,832,826 (76 percent) Special Needs

The actual reservation is more than the 2012-13 allocation for the Affordable and Special Needs Housing program. Funds not committed during the 2011-12 application process were fully committed during the 2012-2013 application process.

The program typically provides gap financing using flexible, below-market-rate loans to support projects for the development and preservation of affordable housing for low-income Virginians including those with special needs. The expectation is to stretch these funds as far as possible to achieve the greatest number of units possible for the dollars committed. In meeting this goal, funds are used with other types of financing. These include Low-Income Housing Tax Credits, bond financing, and other public and private funds. Additionally, these funds fill the gap in permanent financing to make affordable housing project feasible.

### **Indoor Plumbing Rehabilitation Loan Program (IPR)**

The IPR Program improves substandard housing through general rehabilitation by installing indoor plumbing in units lacking complete facilities (or those where existing water supply or waste water disposal systems are failing). Completed houses must comply with DHCD's Field Guide for Housing Quality Standards (DHCD-HQS). Local organizations apply to become sub-recipients under the program. Once local governments certify them, they receive a contract and may request funds for performance, home ownership creation, and matching funds.

To-date the DHCD's sub-recipients have completed 49 units with program year 2013 funding at an average cost of \$78,062 per unit in this program. There were 9 units completed with HOME allocated funds and 40 with the general fund appropriation. One-hundred percent of the program beneficiaries were households at or below 80 percent AMI. The largest populations served were in the categories of elderly and those with incomes at or below 30 percent AMI.

Monitoring is performed annually for high performing sub-recipients and twice a year for all others. Skilled program administrators spend eight to twelve hours reviewing files on-site to ensure compliance with administrative oversight, applicant/contractor records, financial management, federal compliance, client file checklist and housing rehabilitation field inspections. Formal letters are sent summarizing any findings, concerns or recommendations noted during the monitoring visit and responses are due within 30 days. Technical assistance is provided throughout the program year by conducting site visits, workshops and conferences, email and telephone contact.

In concert with input from IPR subrecipients, DHCD undertook a process to refine the service delivery aspect of the program. A competitive solicitation was held to identify regional service providers, with the intent of spurring collaboration and partnership in the implementation of the program. In the coming program year, this new model, using the six selected providers, will be instituted.

### **Homebuyer Assistance Program**

In the 2012-13 program year, the Department made available approximately \$1,000,000 (including program income and the HOME allocation), through homebuyer assistance programs. A total of 72 first-time homebuyers were completed between July 1, 2012, and June 30, 2013. Approximately 95 percent of these clients are households at or below 60 percent AMI. The remaining are those at or below 80 percent AMI.

A total of 12 organizations expended \$797,806 or 80 percent of the total allocated to the DPA program for the 2012-13 program year.

<b>DPA Allocation: DPA Sub-Recipient (including complete and pending)</b>	<b>Amount</b>
People Inc.	\$44,535
Central Shenandoah PDC	\$71,701
FAHE	\$52,750
Habitat for Humanity	\$97,437
Hampton Roads PDC	\$64,299
Southside Community Development Housing	\$61,627
Housing Opportunities Made Equal	\$93,144
Petersburg RHA	\$51,125
Piedmont Housing Alliance	\$92,695
Telamon	\$20,893
Blue Ridge Housing Network	\$72,308
VHDA	\$75,292
<b>Total Expended</b>	<b>\$ 797,806</b>

### **HOME Match Report**

DHCD met match requirements for the HOME program through the state allocation utilized in the Indoor Plumbing and Rehabilitation Program, which finances low-income substantial homeowner rehabilitation activities, and through bond financing. For this reporting period, more than \$27 million in excess match from prior years was combined with \$2.3 million in 2012-13 match contribution for a net amount of approximately \$28.9 million to be carried over into the 2013-14 program year.

<b>HOME Match Summary (2012-13)</b>	
Excess Match from Prior Years	\$27,945,197.46
Match Contribution from 2012-13	\$2,320,730.54
Total Match (sum from above)	\$30,265,928.00
Match Liability for 2012-13	<\$1,288,325.59>
Excess Match to be Carried over to 2010-11	\$28,977,602.41

### **HOME MBE and WBE Report**

Based on its review of information contained in project completion forms, staff estimates that for the current year participation by minority-owned businesses in HOME-funded activities approximates 14 percent of contracts, and 25 percent of subcontracts. Seven percent of the contracts were women-owned business enterprises.

Part III Minority Business Enterprises (MBE) and Women's Business Enterprises (WBE). In the table below, indicate the number and dollar value of contracts for HOME projects completed during the reporting period (see next page).

	a. Total	Minority Business Enterprises				f. White Non-Hispanic
		b. Alaskan Native or American Indian	c. Asian or Pacific Islander	d. Black Non-Hispanic	e. Hispanic	
A. Contracts 1. Number	14	0	0	2	0	12
2. Dollar Amount	\$795,179.00	\$0.00	\$0.00	\$89,300.00		\$705,879.00
B. Sub-Contracts 1. Number	4	0	0	1	0	3
2. Dollar Amount	\$71,800.00	\$0.00	\$0	\$10,000	\$0	\$61,800.00
C. Suppliers 1. Number	11	0	0	0	0	11
2. Dollar Amount	\$192,902.46	\$0.00	\$0	\$0	\$0	\$192,902.46

	a. Total	b. Women Business Enterprises (WBE)	c. Male
C. Contracts 1. Number	14	1	13
2. Dollar Amount	\$795,179.00	\$46,000.00	\$749,179.00
B. Sub-Contracts 1. Number	4	2	2
2. Dollar Amount	\$71,800	\$45,500.00	\$26,300.00
C. Suppliers 1. Number	11	0	11
2. Dollar Amount	\$192,902.46	\$0.00	\$192,902.46

### **Results from Inspections of Rental Housing**

DHCD has worked to update its HOME rental project monitoring procedures by implementing an online reporting system for rent and occupancy reports, which also notifies DHCD staff of required upcoming Housing Quality Standard (HQS) inspections for its HOME rental project portfolio.

On site property inspections were completed based on HOME requirements. No significant safety or HOME compliance findings resulted from the 2012 - 2013 property inspections. Additional onsite and desk reviews of rent and occupancy requirements were conducted throughout the year.

### **HOME Jurisdiction's Affirmative Marketing Actions**

The State remains committed to fair and equal housing opportunities in all of its programs and initiatives. To meet the Affirmative Marketing requirements of the HOME program, project sponsors are required to develop a marketing plan. This plan indicates how the project will be marketed to the target income group required by the funding sources. In addition, all project sponsors are notified of and are required to comply with all applicable federal, State, and local laws prohibiting discrimination in housing.

DHCD requires sponsors to adopt affirmative marketing procedures and requirements. The Department will review draft strategies submitted with the project applications and require sponsors to submit their final or adopted strategies for review and approval before giving its final funding commitment.

These procedures and requirements must include the project sponsor's methods for informing all parties of the fair housing laws and policies, requirements and practices that the owner must carry out to assure the widest possible outreach, record keeping requirements, and the method for assessing the marketing strategy.

Additionally, CHDO certification and recertification is in part based on compliance with affirmative marketing policy that includes annual participation in affirmative marketing activities.

VHDA provides loan servicing and asset management for all projects funded by DHCD. Their management review includes verifying that the project has a marketing and resident selection plan that is consistent with all applicable requirements. If not in compliance, they will advise the owner and DHCD. VHDA will alert DHCD to any problems they observe in the implementation of a project's marketing plan and selection criteria.

### **Outreach to Minority and Women-Owned Business**

Minority and women's business enterprise outreach requirements apply to all housing programs administered by DHCD. Project sponsors are required to facilitate participation by women-owned and minority-owned business enterprises. This includes dividing procurement for goods, services, and contracts, where possible, into small segments; establishing delivery schedules to encourage minority and women owned business participation; publishing notices via legal advertisement in regional newspapers of anticipated contracts, services, and procurement; maintaining solicitation lists; giving construction contractors copies of this solicitation list; including goals for women-owned and minority-owned businesses in construction contract documents; and, maintaining a register of all minority-owned and women-owned enterprises actually used.

Sponsors must provide DHCD with contract documents and individual project goals at the time that the project sponsor is preparing bid specification packages. Project sponsors are responsible for requiring contractors to submit information on minority and women-owned enterprises.

DHCD is strongly committed to the establishment, preservation and strengthening of small, women- and minority- owned businesses. DHCD has adopted a Small, Women and Minority-Owned Business (SWAM) agency policy whereby businesses will be identified, solicited, and encouraged to participate in the procurement activities of the agency, and whereby records will be maintained, documenting such solicitation efforts and participation.

Solicitations obtained under \$5,000 will include a written quote from one or more SWAM certified vendor. Exceptions must be approved by the Associate Director of Administration.

Solicitations obtained over \$5,000 and up to \$50,000 will include a minimum of four valid sources, including a minimum of two SWAM certified vendors in writing or electronically.

Solicitations over \$50,000 will include a minimum of six valid sources, including a minimum of four SWAM certified vendors in writing or electronically.

Any solicitation wherein the aforementioned number of SWAM businesses cannot be solicited requires advanced approval and must be documented in the comments section of the purchase order for approval.

The award will be made to the lowest responsive and responsible bidder; however, the award may be made to a reasonably-priced minority or women-owned business that is not the lowest priced bidder.

## **HOPWA Program Narrative**

This section of the CAPER covers the performance of the HOPWA program, including the distribution of funds among identified needs, the activities carried out by recipients of program funds, and a summary of HOPWA program beneficiaries.

The 2012-13 HOPWA program was administered through eight project sponsors across the state of Virginia. These project sponsors served a total of 281 individuals (271 households) with HIV/AIDS who received:

- Short-term rent, utility, and mortgage assistance (STRUM);
- Tenant-based rental assistance (TBRA);
- Permanent housing placement; and
- Supportive services

Currently, the state HOPWA program encompasses 31,749 square miles. Based on the most recently available surveillance data from the Virginia Department of Health (1<sup>st</sup> quarter 2012), 4,438 persons with HIV and/or AIDS were residing in one of the localities under the state HOPWA program. From 2007-2011, there were 836 newly diagnosed cases of HIV in the localities under the state HOPWA program. These statistics are based on the number of cumulative cases of HIV and AIDS reported per locality through April 24, 2012, excluding deceased cases.

Emergency housing continues to present challenges for persons living with HIV or AIDS. Compared to suburban and urban counterparts, homeless shelters are not as readily accessible in rural areas, and those programs available are frequently open only to targeted homeless populations, such as victims of domestic violence. In addition, employment and/or job training requirements may be barriers to entry.

Housing needs of persons living with HIV or AIDS often mirror those of the disabled population. Consumers desire to live within close proximity of their primary medical providers and their support networks of family and friends and reside in housing that allows them to maintain maximum independence with access to needed community support systems. As with other disabled population some may require accessible dwellings or modification to facility accessibility.

Similarly, in the predominantly rural areas of the state HOPWA program, persons living with HIV and AIDS often struggle with the same housing deficiencies faced by other rural residents. For example, consumers frequently live in substandard living conditions which exacerbate their health conditions, such as lack of indoor plumbing, inadequate heating and cooling, faulty electrical systems and weakened structural elements (i.e. roofs and flooring). Due to limited housing

affordability, consumers accept these inferior units and other unconventional housing situations.

Consumers with fixed incomes of approximately \$600/month are severely rent-burdened, paying upwards of 80 percent of their income on housing expenses. In addition, subsidized housing programs are closed, with waiting lists in excess of three years. Tenant-based rental assistance through the HOPWA program is often the only immediate option for permanent housing stability. Still, administrators have encountered difficulty identifying landlords in the respective service areas.

When the Department participated in the development of an HIV/AIDS Housing Plan, it found through surveys of Virginians living with HIV/AIDS that the large majority (72 percent) of respondents were earning less than \$1,000 per month. Nearly one-third were paying more than 50 percent of their income for housing. At the same time, about one-quarter reported that their income supported another person; 18 percent reported that their household included children. Two-thirds remained in the locality where their infection was first diagnosed. These survey respondents also indicated that many other factors other than their HIV status affected their daily lives and their ability to afford and maintain stable housing. These included substance abuse, a history of homelessness, criminal histories, and other disabilities.

To assist consumers with residential stability, service providers must complement housing services with supportive services. Some of the supportive services needs of persons living with HIV or AIDS are: case management (including life skills training), budgeting and/or credit counseling, transportation assistance, support groups, social activities, legal advocacy, landlord-tenant advocacy, food pantries, substance abuse treatment/intervention programs, and guidance in accessing entitlement programs for which they may qualify.

Project sponsors have been involved with several collaborative efforts related to servicing HOPWA eligible clients. The most predominant collaboration is between the project sponsors and their local health departments. The health departments provide case management services that are funded through Ryan White. These health departments are subcontractors for Ryan White Title II funding and very close coordination assures no overlap of services. Ryan White CARE Act funds have assisted clients to obtain medical care, medications, diagnostic tests, and nutritional supplements that clients cannot afford. Also, project sponsors have decreased the transportation expenditures since Ryan White Title II funds also pay for transportation services. In most cases, case managers at the health departments monitor transportation funded by Ryan White Title II. These collaborative efforts allow project sponsors to direct HOPWA funds toward housing needs – tenant based rental assistance, short-term rental, utility, and mortgage assistance.

### 2012-13 HOPWA Project Sponsors

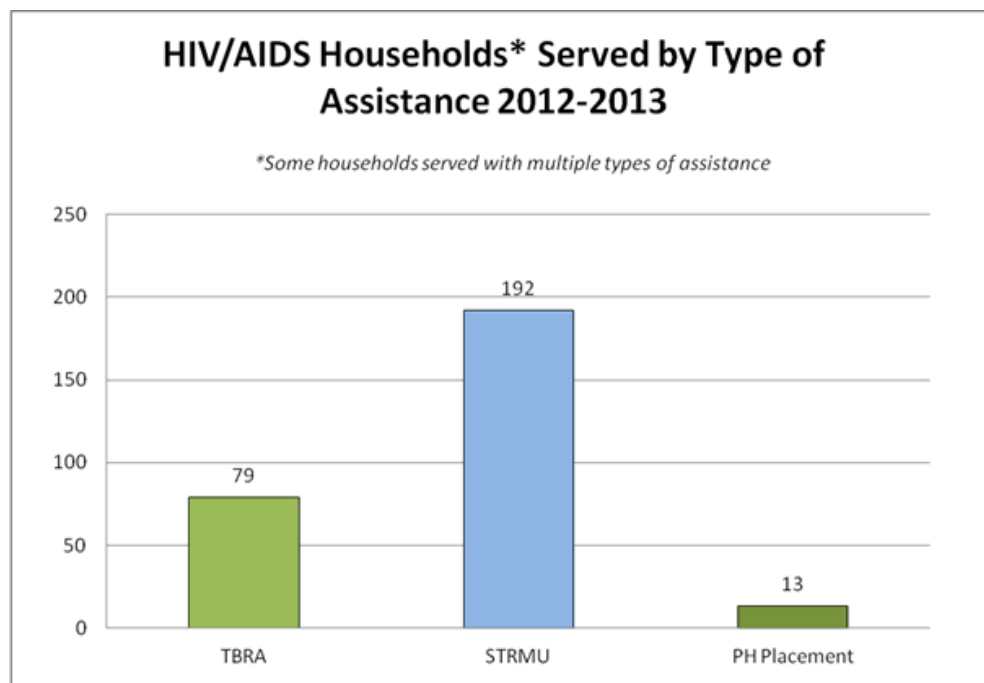
Subgrantee (Project Sponsor)	Service Area(s)	Housing Activities	Supportive Services	Funded Amount
Council of Community Services	Counties of Roanoke, Botetourt, Craig, Alleghany, Montgomery, Pulaski, Giles and Floyd and Cities of Roanoke, Salem, Covington and Radford.	<ul style="list-style-type: none"> <li>Tenant-based rental assistance</li> <li>Short-term rent, utility and mortgage payments</li> </ul>	<ul style="list-style-type: none"> <li>Case Management</li> </ul>	\$121,281.02
Lynchburg Community Action Group, inc.	Counties of Appomattox, Amherst, Bedford, Prince Edward, Charlotte, and Campbell and Cities of Lynchburg and Bedford	<ul style="list-style-type: none"> <li>Short-term rent, utility and mortgage payments</li> <li>Tenant-based rental assistance</li> </ul>	<ul style="list-style-type: none"> <li>Case management</li> <li>Transportation</li> <li>Food/food bank</li> <li>Support Group</li> </ul>	\$51,369.00
AIDS Response Effort, Inc.	Counties of Shenandoah, Page and Frederick and City of Winchester	<ul style="list-style-type: none"> <li>Short-term rent, utility and mortgage payments</li> <li>Tenant-based rental assistance</li> </ul>	<ul style="list-style-type: none"> <li>Case management</li> <li>Food/food bank</li> </ul>	\$76,478.00
AIDS/HIV Services Group	Counties of Albemarle, Greene, Nelson and Fluvanna and the City of Charlottesville	<ul style="list-style-type: none"> <li>Short-term rent, utility and mortgage payments</li> <li>Tenant-based rental assistance</li> </ul>	<ul style="list-style-type: none"> <li>Case management</li> </ul>	\$144,193.99
Fredericksburg Area HIV/AIDS Support Services	Counties of King George, Madison, Orange, Rappahannock, Westmoreland, and Culpeper	<ul style="list-style-type: none"> <li>Tenant-based rental assistance</li> <li>Short-term rent, utility and mortgage payments</li> <li>Permanent housing Placement</li> </ul>	<ul style="list-style-type: none"> <li>Case management</li> <li>Transportation</li> </ul>	\$100,145.71
Valley AIDS Network	Counties of Rockingham, Bath, Rockbridge, Augusta, Highland, Page and Shenandoah and the Cities of Lexington, Staunton, Waynesboro, and Harrisonburg	<ul style="list-style-type: none"> <li>Short-term rent, utility and mortgage payments</li> <li>Tenant-based rental assistance</li> <li>Permanent housing placement</li> </ul>	<ul style="list-style-type: none"> <li>Case management</li> </ul>	\$65,299.00
Piedmont Community Services	Counties of Henry, Patrick and Franklin, Stuart and City of Martinsville	<ul style="list-style-type: none"> <li>Short-term, emergency rental assistance</li> <li>Tenant-based rental assistance</li> <li>Permanent housing placement</li> </ul>	<ul style="list-style-type: none"> <li>Transportation</li> <li>Food/food bank</li> <li>Support group</li> <li>Case Management</li> <li>Substance Abuse Counseling</li> </ul>	\$47,938.87
Pittsylvania Community Action Inc.	Pittsylvania, Danville	<ul style="list-style-type: none"> <li>Tenant-based rental assistance</li> <li>Short-term rent, utility and mortgage payments</li> </ul>	<ul style="list-style-type: none"> <li>Case Management</li> </ul>	\$75,029.77

## HOPWA Program Accomplishment

To date, the majority of 2012-13 allocations have been expended and it is expected that the remaining amount will be obligated/committed in the 2013-2014 program year. The Department sought to provide housing assistance to 200 low-income households with HIV/AIDS. At year-end DHCD project sponsors served 271 households with HIV/AIDS.

Individuals and Families Served with HOPWA Housing Subsidy Assistance	Total Number
1. Number of individuals with HIV/AIDS who qualified the household to receive HOPWA housing subsidy assistance (equals the number of HOPWA Eligible Individuals reported in Part 7A, Section 1, Chart a.)	271
2. Number of ALL other persons <b>diagnosed</b> as HIV positive who reside with the HOPWA eligible individuals identified in Row 1 and who benefitted from the HOPWA housing subsidy assistance	15
3. Number of ALL other persons <b>NOT diagnosed</b> as HIV positive who reside with the HOPWA eligible individual identified in Row 1 and who benefited from the HOPWA housing subsidy	207
<b>4. TOTAL number of ALL <u>beneficiaries</u> served with Housing Subsidy Assistance (Sum of Rows 1,2, &amp; 3)</b>	<b>493</b>

Twenty-nine percent of all households served were assisted with tenant-based rental assistance (TBRA) and seventy-one percent of households were assisted short-term rent, mortgage, and utility assistance (STRMU).



Source: 2012-13 HOPWA CAPER

More than half of households receiving TBRA were expected to continue to receive TBRA into the next program year.

	[1] Output: Total Number of Households Served	[2] Assessment: Number of Households that Continued Receiving HOPWA Housing Subsidy Assistance into the Next Operating Year	[3] Assessment: Number of Households that exited this HOPWA Program; their Housing Status after Exiting		[4] HOPWA Client Outcomes
Tenant-Based Rental Assistance	84	49	1 Emergency Shelter/Streets	0	Unstable Arrangements
			2 Temporary Housing	1	Temporarily Stable, with Reduced Risk of Homelessness
			3 Private Housing	21	Stable/Permanent Housing (PH)
			4 Other HOPWA	3	
			5 Other Subsidy	4	
			6 Institution	0	
			7 Jail/Prison	2	Unstable Arrangements
			8 Disconnected/Unknown	3	
			9 Death	1	Life Event

Most (69 percent) of households receiving STRMU were expected to require additional STRMU to maintain housing stability.

#### Assessment of Households that Received STRMU Assistance

[1] Output: Total number of households	[2] Assessment of Housing Status		[3] HOPWA Client Outcomes
191	Maintain Private Housing <u>without</u> subsidy (e.g. Assistance provided/completed and client is stable, not likely to seek additional support)	37	Stable/Permanent Housing (PH)
	Other Private Housing without subsidy (e.g. client switched housing units and is now stable, not likely to seek additional support)	2	
	Other HOPWA Housing Subsidy Assistance	4	
	Other Housing Subsidy (PH)	1	
	Institution (e.g. residential and long-term care)	0	
	Likely that additional STRMU is needed to maintain current housing arrangements	132	Temporarily Stable, with Reduced Risk of Homelessness
	Transitional Facilities/Short-term (e.g. temporary or transitional arrangement)	2	
	Temporary/Non-Permanent Housing arrangement (e.g. gave up lease, and moved in with family or friends but expects to live there less than 90 days)	5	

	Emergency Shelter/street	1	<i>Unstable Arrangements</i>
	Jail/Prison	3	
	Disconnected	2	
	Death	2	<i>Life Event</i>
1a. Total number of those households that received STRMU Assistance in the operating year of this report that also received STRMU assistance in the prior operating year (e.g. households that received STRMU assistance in two consecutive operating years).			120
1b. Total number of those households that received STRMU Assistance in the operating year of this report that also received STRMU assistance in the two prior operating years (e.g. households that received STRMU assistance in three consecutive operating years).			72

## **Emergency Solutions Grant (ESG) Program Narrative**

The Emergency Solutions Grant program is a significant component of the state's overall effort to address a variety of needs of the homeless and for homelessness prevention, as previously discussed in the Continuum of Care section.

The goals of the state ESG program are that:

- Individuals and families at-risk of homelessness obtain and maintain appropriate permanent housing; and
- Individuals and families experiencing homelessness obtain and maintain appropriate permanent housing.

These objectives are achieved through supporting effective homeless services and prevention programs.

### **Assessment of Relationship of ESG funds to goals and objectives**

During the 2012-13 program year, the Emergency Solutions Grant funded 34 homeless service organizations consisting of 41 homeless services programs across the state of Virginia.

The homeless service providers supported in part by the ESG component addressed two key state strategies for meeting the overall priority of providing additional support and coordinated services for the state's homeless population. These included (1) continuing to provide safe and sanitary emergency shelter that meets basic needs and provides necessary supportive services and (2) providing resources for homeless prevention.

Additional discussion of the use of ESG funds in conjunction with other funding sources in meeting the Consolidated Plan's homeless and homelessness prevention priorities may be found in the "Continuum of Care" section of this report.

### **Matching Resources**

DHCD uses state general funds allocated to homeless prevention and homeless assistance programs in Virginia to meet the ESG one-to-one dollar match for the program. See attachment for documentation of the ESG match allocations.

### **State Method of Distribution**

The state allocation minus five percent for state/local government administrative costs was allocated to sub-grantees (non-profits and units of local governments) in ESG non-entitlement localities. These are localities that do not receive a direct ESG allocation from HUD. Sub-grantees were selected for the July 1, 2011 - June 30, 2013 program year based on a competitive application process. The 2012-13 program year was the second year of a two year funding cycle for ESG

funding. The 2012-13 program year funding is based on program compliance and expenditure rates.

Proposals were reviewed and ranked by a proposal review panel based on the following criteria:

- Need (maximum 40 points)
- Approach (maximum 30 points)
- Capacity (maximum 30 points)

Proposals needed to receive a minimum score of at least 60 points in order to receive funding. ESG funding commitments were based on scores, request amount, and available funding.

The federally-funded ESG program provides funding to emergency shelter, and homeless prevention programs to support shelter maintenance and operations, financial assistance for prevention and rapid re-housing\*, related supportive services, and administrative funding in non-entitlement areas of Virginia.

*\*NOTE: Rapid Re-housing activities were part of the 2011-13 application process but were ineligible activities during the 2011-12 program year. . ESG Stage 2, which includes rapid re-housing activities is an allowable activity for the 2012-13 program year,*

State grantees need to make all of their ESG funds available to local government or nonprofit sub-grantees within 65 days of grant award, and spend them within the required 24 months (two years).

The state has met the deadlines for the obligation and expenditure of ESG funds.

<b>ESG Contract Execution Dates and Expenditure Status</b>		
<i>HUD/DHCD Contract</i>	<i>DHCD/Sub-grantee Contract</i>	<i>Fund Expended</i>
July 17, 2012	July 1, 2012	83 percent by June 30, 2013

Allocations for the 2012 – 2013 ESG funds by organization are as follows:

Organization	Rapid Re-Housing	Shelter Operations	Prevention	HMIS	Admin	Total Award
ARLINGTON COUNTY GOVERNMENT	\$4,559	\$0	\$79,339.42	\$1988.52	\$0	\$85,887
AVALON: CENTER FOR WOMEN AND CHILDREN	\$17,850.09	\$72,631.91	\$0	\$0	\$0	\$90,482
CARES, INC	\$13,131	\$18,975	\$0	\$0	\$0	\$32,106
CARPENTER'S SHELTER, INC.	\$61,958	\$89,351	\$27,394	\$0	\$0	\$178,703
CITY OF ALEXANDRIA	\$0	\$115,969	\$41,816	\$0	\$0	\$157,785
COUNCIL OF COMMUNITY SERVICES	\$0	\$0	\$41,816	\$0	\$0	\$41,816
CULPEPER COMMUNITY DEVELOPMENT CORPORATION	\$6,528	\$20,288	\$0	\$1,300	\$0	\$28,116
DOORWAYS FOR WOMEN AND CHILDREN	\$30,096	\$102,617	\$0	\$4,174	\$0	\$136,887
EMPOWERMENT HOUSE	\$20,072	\$24,772	\$0	\$0		\$44,884
FAMILY CRISIS SUPPORT SERVICES, INC.	\$28,512	\$22,647	\$0	\$328	\$0	\$51,487
FAMILY RESOURCE CENTER	\$25,683.89	\$72,243.65	\$25,151.88	\$7669.58	\$0	\$130,749
FIRST STEP: A RESPONSE TO DOMESTIC VIOLENCE	\$0	\$22,601	\$0	\$0	\$0	\$22,601
FOR KIDS, INC.	\$23,296	\$43,150	\$1,876	\$3,595	\$0	\$71,917
HAMPTON DEPARTMENT OF HUMAN SERVICES	\$35,196	\$23,291	\$40,126	\$0	\$4,930	\$103,543
HAMPTON-NEWPORT NEWS COMMUNITY SERVICES BOARD	\$5,579.01	\$12,006.60	\$11,571.39	\$1,500	\$0	\$30,657
HANOVER SAFE PLACE	\$22,878	\$23,350	\$3,000	\$0	\$0	\$51,228
HARMONY PLACE	\$29,069	\$8,020	\$0	\$0	\$0	\$37,089
H.O.P.E. COMMUNITY SERVICES	\$347.29	\$0	\$32,670	\$651.70	\$0	\$33,669
MERCY HOUSE, INC.	\$43,098.90	\$47,499.19	\$28,491.91	\$6,220	\$0	\$125,310
MICAH ECUMENICAL MINISTRIES	\$0	\$96,747	\$0	\$0	\$0	\$96,747

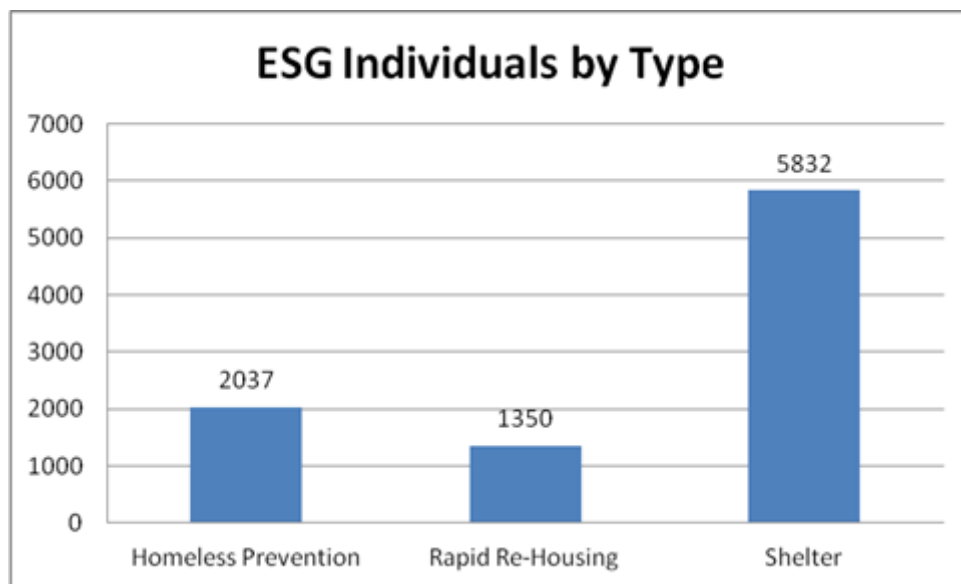
Organization	Rapid Re-housing	Shelter Operations	Prevention	HMIS	Admin	Total Award
MONTICELLO AREA COMMUNITY ACTION AGENCY	\$0	\$41,231	\$0	\$650	\$0	\$41,881
NEW RIVER COMMUNITY ACTION	\$27,361.94	\$0	\$44,555.06	\$0	\$0	\$71,917
NORTHERN VIRGINIA FAMILY SERVICE	\$83,811.27	\$35,607.50	\$2,879.83	\$3,011.40	\$0	\$125,310
OFFICE OF HUMAN AFFAIRS	\$5,465	\$0	\$63,974	\$1,040	\$0	\$70,479
PEOPLE AND CONGREGATIONS ENGAGED IN MINISTRY (PACEM)	\$2,789.15	\$17,500	\$0	\$1,067.85	\$0	\$21,357
PEOPLE INCORPORATED OF VIRGINIA	\$45,200	\$0	\$75,946.29	\$4,163.71	\$0	\$125,310
PORTSMOUTH AREA RESOURCES COALITION, INC.	\$14,845	\$72,000	\$32,200	\$6,265	\$0	\$125,310
QUIN RIVERS, INC.	\$0	\$0	\$39,725.20	\$2,090.80	\$0	\$41,816
ST. JOSEPH'S VILLA	\$30,101	\$42,714	\$78,794	\$0	\$0	\$151,609
THE GOOD SHEPHERD ALLIANCE	\$53,393	\$53,393	\$0	\$0	\$0	\$106,786
SALVATION ARMY TRI-CITY SERVICE CENTER	\$0	\$18,154	\$0	\$0	\$0	\$18,154
THURMAN BRISBEN HOMELESS SHELTER, INC.	\$12,000	\$45,000	\$62,044.50	\$6,265.50	\$0	\$125,310
TOTAL ACTION AGAINST POVERTY	\$2,263.08	\$0	\$48,277.92	\$1,400	\$0	\$51,941
TRANSITIONS FAMILY VIOLENCE SERVICES	\$6,800	\$44,823	\$0	\$1,770	\$0	\$53,393
WOMEN'S RESOURCE CENTER OF THE NEW RIVER VALLEY, INC.	\$0	\$53,393	\$0	\$0	\$0	\$53,393
<b>TOTAL</b>	<b>\$651,884</b>	<b>\$1,239,975</b>	<b>\$781,649.06</b>	<b>\$55,151.06</b>	<b>\$4,930</b>	<b>\$2,735,629</b>

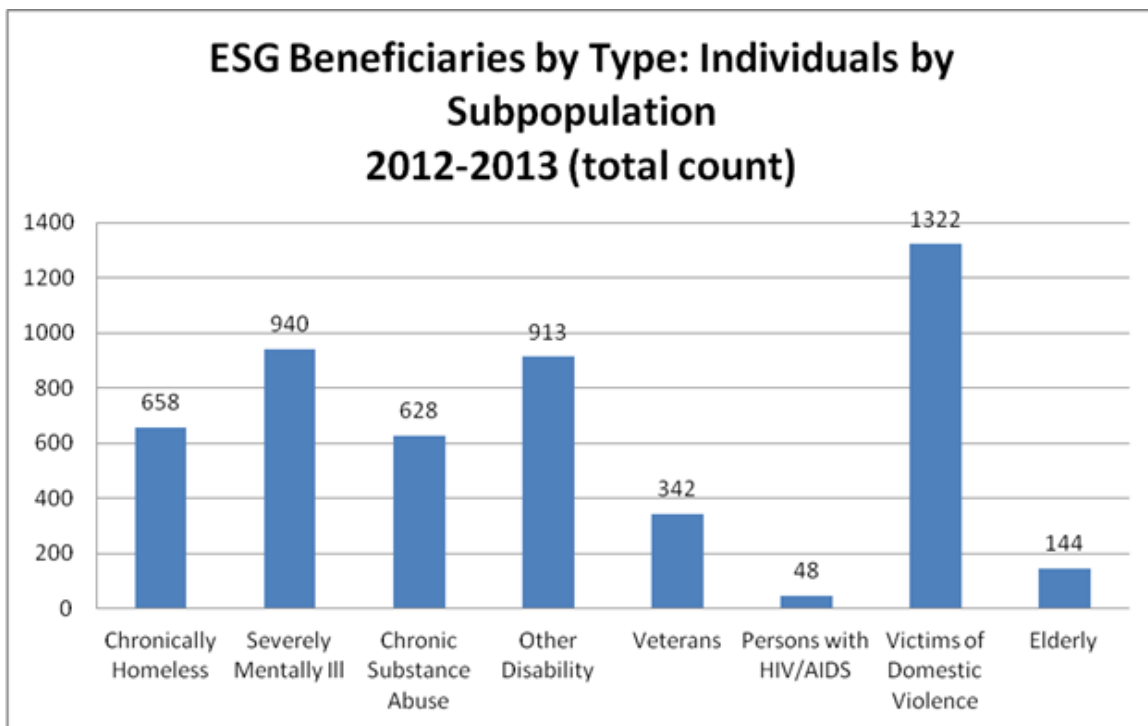
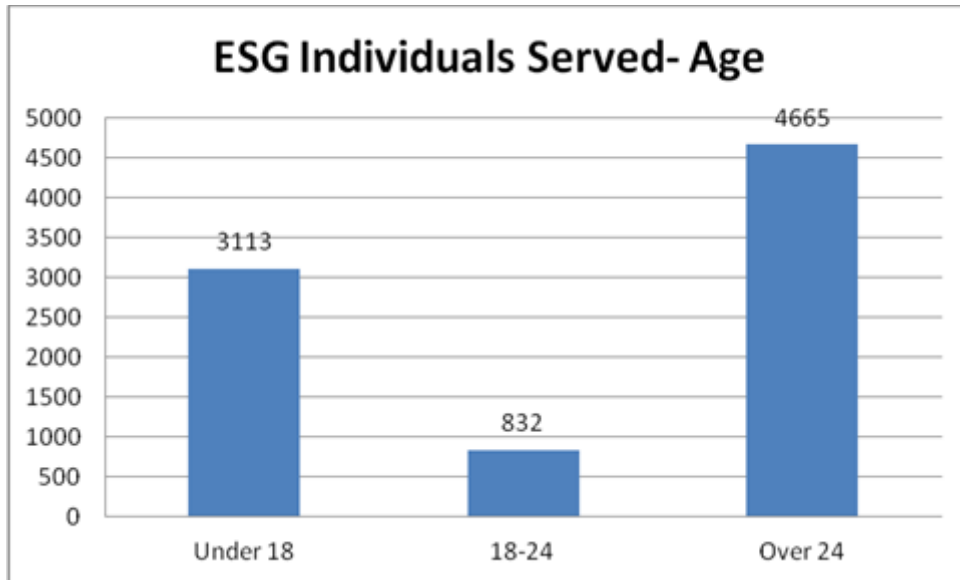
Eligible applicants for ESG are nonprofit organizations and units of local government that currently provide, or plan to provide, homeless services

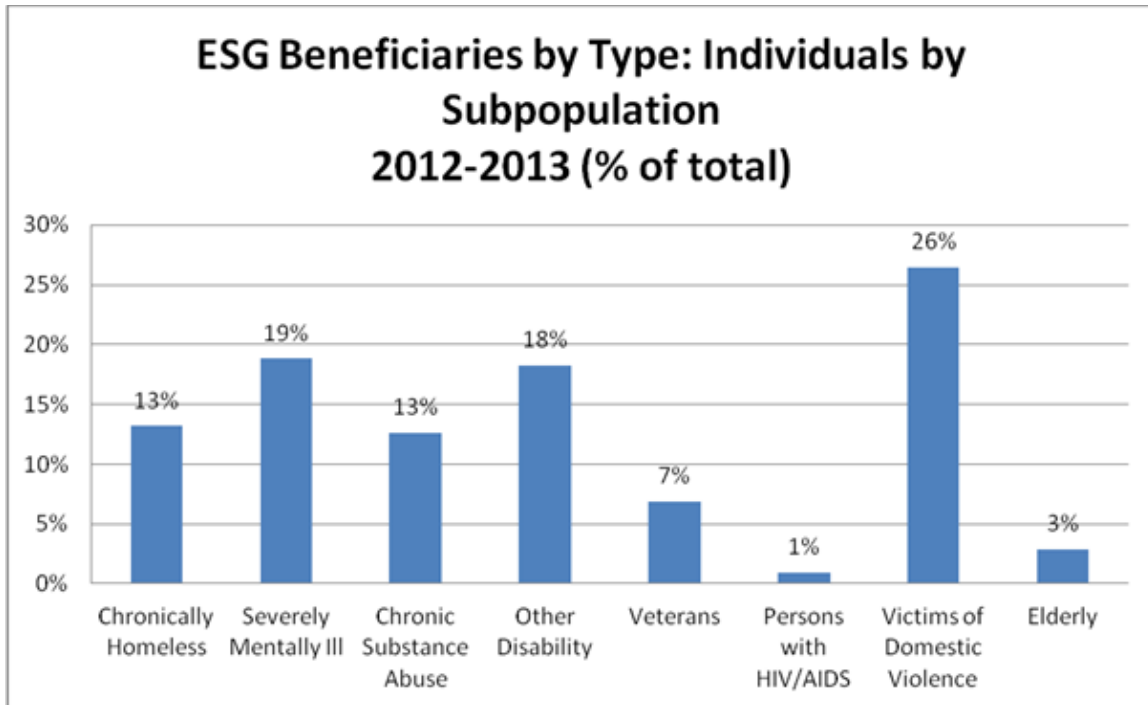
(including prevention and rapid re-housing) for homeless or at-risk of homelessness individuals or families in Virginia.

### Activity and Beneficiary Data

ESG funds administered through the Department served to provide shelter operating costs, homeless prevention, rapid re-housing, supportive services, and administrative costs to support 35 homeless service organizations consisting of 41 homeless services programs in non-entitlement areas across the state of Virginia. Supported programs included shelter, rapid re-housing and homeless prevention programs. During the 2012-13 program year 9,221 individuals were served through these programs. Of the total individuals served by ESG, 22 percent were served by homeless prevention. 15 percent were served with rapid re-housing assistance and 63 percent by shelter.







*Note: The sum of beneficiary categories could be greater than 100 percent due to some beneficiaries being included in more than one type.*

## Homeless Discharge Coordination

The Commonwealth has developed and implemented, to the maximum extent practicable and where appropriate, policies and protocols for the discharge of persons from publicly-funded institutions or systems of care (such as health care facilities, foster care or other youth facilities, or correction programs and institutions) in order to prevent such discharge from immediately resulting in homelessness for such persons. Efforts are currently underway by the Homeless Coordinating Council to enhance this coordination. The advisory committee started meeting in June 2010 and has proposed several action steps that are outlined in the chart below.

<b>Goal 5. Evaluate, develop and ensure implementation of statewide, pre-discharge policies for foster care system, hospitals, and mental health and corrections facilities.</b>
<b>Strategy 5.1.</b> Improve discharge policies and procedures for foster care.
<ul style="list-style-type: none"><li>○ 5.1.1. Develop a pre-discharge protocol requiring that all youth have a discharge plan that: (1) specifies an appropriate housing arrangement; (2) guarantees access to supportive services; and (3) connects them to education.</li></ul>
<ul style="list-style-type: none"><li>○ 5.1.2. Develop a pre-discharge protocol requiring that, where possible, youth are not to be released from the foster system before the terms of the discharge plan have been met.</li></ul>
<ul style="list-style-type: none"><li>○ 5.1.3 Develop foster care policy that integrates adult services housing options for the older foster care population.</li></ul>
<b>Strategy 5.4.</b> Strengthen mental health and health discharge protocols and policies.
<ul style="list-style-type: none"><li>○ 5.4.1 Educate hospital discharge planners about resources for individuals who are homeless.</li></ul>
<ul style="list-style-type: none"><li>○ 5.4.2. Require that mental health facilities document and report the number of patients that are discharged into shelters.</li></ul>
<ul style="list-style-type: none"><li>○ 5.4.3. Provide training to Continuum of Care to apply for affordable housing units for individuals with mental illness and substance use problems.</li></ul>
<ul style="list-style-type: none"><li>○ 5.4.4. Develop protocols for hospitals to link veterans with services offered by the Veteran's Administration and the Department of</li></ul>

Veteran's Services prior to discharge.
<b>Strategy 5.5.</b> Improve Corrections Discharge Policies and Procedures.
<ul style="list-style-type: none"> <li>○ 5.5.1. Develop a pre-discharge protocol requiring that all inmates have a discharge plan that (1) specifies an appropriate housing arrangement; (2) identifies prior military service; (3) includes a mandatory re-entry programs; and (4) connects them to support services.</li> </ul>
<ul style="list-style-type: none"> <li>○ 5.5.2. Require all state prisons as well as regional and local jails to identify inmates with prior military service using their electronic case management system.</li> </ul>
<ul style="list-style-type: none"> <li>○ 5.5.3. Require that the Department of Corrections document the number of offenders released without viable home plans and the reasons why plans could not be developed.</li> </ul>

# Attachments



Virginia Department of Housing  
and Community Development

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Small, Women and Minority – owned businesses (SWAM)  
Policies and Procedures

On July 30, 2004, the Governor's office mandated that each agency and institution of the Commonwealth shall adopt an annual Small, Women and Minority – owned businesses (SWAM) Procurement Plan.\* Please review the agency SWAM Procurement Plan located in the SWAM section of this guide.

DHCD is strongly committed to the establishment, preservation and strengthening of small, women- and minority- owned businesses. These businesses will be identified, solicited and encouraged to participate in the procurement activities of the agency and records will be maintained documenting such solicitation efforts and participation.

Solicitations obtained under \$5,000 will include a written quote from one (1) or more SWAM certified vendor. Exceptions must be approved by the Associate Director of Administration.

Solicitations obtained over \$5,000 and up to \$50,000 will include a minimum of four (4) valid sources, including a minimum of two (2) SWAM certified vendors in writing or electronically.

Solicitations over \$50,000 will include a minimum of six (6) valid sources, including a minimum of four (4) SWAM certified vendors in writing or electronically.

Any solicitation wherein the aforementioned number of SWAM businesses cannot be solicited requires advanced approval and must be documented in the comments section of purchase order for approval.

If buying staff is unable to locate or solicit a quote from a SWAM vendor, please contact the Procurement Office.

The award will be made to the lowest responsive and responsible bidder; however, the award may be made to a reasonably priced minority or women owned business that is other than the lowest priced bidder

When a SWAM vendors price is considered unreasonable please solicit more than one or the required minimum.

#### Documentation requirements

A detailed record of the quotations must be kept with the file for audit purposes. If more than one quote is solicited, the award should be made to the lowest responsive and responsible bidder. Documentation for phone, fax, or written quotes **shall include**:

- Names and addresses of the vendors contacted
- SWAM designation (Small, Women-Owned or Minority Business)
- Detailed item description or service requested/offered
- The quoted price
- Delivery dates and/or F.O.B. point
- Vendor contact person(s) providing prices
- Date the information was obtained

If the SWAM vendor is not DMBE certified, complete the purchase with them and document the file as outlined above, but encourage them to contact the Department of Minority Business Enterprise to become certified.

If adequate competition is not available, document the procurement file with the efforts made to include the appropriate number of minority or women-owned businesses. Because of these new requirements, procurement planning that ensures that the requisite SWAM vendors are included is very important.

#### Exceptions

The only exceptions to these requirements are when the procurement is issued against a DHCD or state contract.

#### Vendor Registrations

Vendors need to be registered in the following areas:

- eVA - Need to verify that the vendor is an eVA registered vendor before issuing a purchase requisition or purchase order.
- DMBE - SWAM vendors must be certified with the Department of Minority Business Enterprise.
- Locating SWAM Vendors

One source for locating certified minority businesses can be found on the DMBE Web site at: <http://www.dmb.e.state.va.us/vendors.html>

\* For instructions on locating a SWAM vendor please review the DMBE Vendor Search section of this guide.